

STATE OF NEW HAMPSHIRE

Intra-Department Communication

DATE: August 23, 2018

AT (OFFICE): NHPUE



FROM: Karen Cramton, Director, Sustainable Energy Division

SUBJECT: DE 10-024, DE 10-212, DE 13-298, DE 15-302 and DE 17-172: Request for Approval of Fiscal Year 2019 Renewable Energy Fund Program Budgets

TO: Martin Honigberg, Chairman
Kathryn M. Bailey, Commissioner
Michael S. Giaimo, Commissioner
Debra A. Howland, Executive Director

CC: David Shulock, General Counsel

This memo requests approval to establish fiscal year 2019 (FY19) program budgets for the Renewable Energy Fund (REF) as set forth in the Program Funding Allocations (Table 3) on page 2. Further, Staff requests approval to take the following program actions:

- Reopen all rebate programs;
- Prior to allocating funds to new program applications, fund current waitlisted applications, provided the application meets current program terms and conditions;
- Accept new applications for all programs for participation in program-specific lotteries to establish queue positions; and
- Establish dates for public lotteries for each individual program.

Funding Analysis

The REF received revenues from alternative compliance payments for compliance (calendar) year 2017 in the amount of \$5,257,583.36. After adjusting for administrative costs, funds transferred to the Site Evaluation Committee, and funds previously encumbered or committed, \$4,082,208 is available for program funding for FY19 (July 1, 2018 through June 30, 2019).

The table below presents the statutorily required funding breakdown between the Residential and Commercial & Industrial (C&I) sectors:

Table 1: Program Funding Allocations by Sector	
\$4,082,208	FY19 Rebate and Grant Funds Available
\$1,673,705	Funds allocated to Residential Sector (41%)
\$2,408,503	Funds allocated to Commercial & Industrial (non-residential) Sector (59%)

Table 2 summarizes the carry forward program funds, encumbered grant funds and the allocation of new funding to the various Residential and Commercial & Industrial (C&I) programs supported by the

REF. To satisfy the program funding requirements of RSA 362-F, including the Low Moderate Income program, and to provide adequate funding to fully satisfy current waitlisted applications, Staff recommends the following program allocations:

Table 2: Program Funding Allocations				
Program	Total Reserved and Encumbered Carry Forward	Fiscal Year 2019 New Program Funding Allocations	Total Fiscal Year 2019 Program Allocations Including Carry Forward from Fiscal Year 2018	Waitlist
Residential Solar & Wind Rebates	\$ 342,625	\$ 500,000	\$ 842,625	\$ 92,823
Residential Solar Thermal Rebates	\$ -	\$ 23,705	\$ 23,705	\$ -
Residential Wood Pellet Central Boiler/Furnace Rebates	\$ 44,805	\$ 500,000	\$ 544,805	\$ 77,894
Low Moderate Income Grants ¹	\$ 404,721	\$ 650,000	\$ 1,054,721	\$ -
Total Residential	\$ 792,151	\$ 1,673,705	\$ 2,465,856	\$ 170,717
C&I Solar Rebates	\$ 2,677,525	\$ 808,503	\$ 3,486,028	\$ 149,551
C&I Bulk Fuel Fed Wood Pellet Central Heating System Rebates	\$ 125,004	\$ 600,000	\$ 725,004	\$ 16,531
C&I Competitive Grants	\$ 1,412,300	\$ 1,000,000	\$ 2,412,300	\$ -
Total Commercial & Industrial	\$ 4,214,829	\$ 2,408,503	\$ 6,623,332	\$ 166,082
Total Program Budget	\$ 5,006,980	\$ 4,082,208	\$ 9,089,188	\$ 336,799

Reopen Rebate Programs

By secretarial letter, on February 12, 2018, a waitlist was formally established for the Residential Solar and Wind Rebate Program and the program was temporarily closed, and remains closed, to new applications. During the previous fiscal year (FY18), the C&I Solar Rebate Program, Residential Wood Pellet Central Boiler and Furnace Rebate Program, and the C&I Bulk Fuel Fed Wood Pellet Central Heating System Rebate Program were also fully reserved and had applications requesting funding in excess of available funds. On June 1, 2018, through secretarial letter, applicable program waitlists were established and these programs were temporarily closed, and remain closed, to new applications. The Commission authorized the creation of individual program waitlists to establish priority for the processing of applications when the programs reopen.

Staff recommends all rebate programs reopen to new applications. As stated in the aforementioned secretarial letters, prior to allocating funds to new program applications, current waitlisted applications will be allocated funding, provided the application meets program terms and conditions, based on the applicant's waitlist queue position.

Since all rebate programs have been temporarily closed for several months, Staff is expecting high

¹ FY18 Low Moderate Income Program awarded three grants. The program criteria for FY19 may be revised.

demand for the available funding. To accommodate the demand and to ensure applicants have an equal opportunity to participate in the rebate programs, Staff recommends a lottery process for new applications to determine initial queue positions.

To participate in the initial lotteries, program applications must be **received** by the program-specific due date noted below in Table 3. Staff recommends the following schedule for rebate application submission and public lotteries.

Program	Application Due Date	Lottery Date
Residential Wood Pellet Central Boiler/Furnace Rebates	September 7, 2018	September 12, 2018
C&I Bulk Fuel Fed Wood Pellet Central Heating System Rebates	September 7, 2018	September 12, 2018
Residential Solar & Wind Rebates	September 17, 2018	September 24, 2018
Residential Solar Thermal Rebates	September 17, 2018	September 24, 2018
C&I Solar Rebates	September 17, 2018	September 24, 2018

The individual program lotteries will be automated using a random value generation tool to assign numeric values to applications entered into the program-specific lottery database, and then the applications will be sorted according to those numeric values. Staff will conduct both the randomization and sorting processes during the public lotteries. No later than two days after the lottery, applicants and installers will be individually notified by e-mail of the applicant's queue position, and whether or not the application is on the program's waitlist. After the lotteries, program applications will be processed on a first-come, first-served basis.

Given there will most likely be few, or no, uncommitted rebate program funds in the near term, Staff recommends that the Commission not initiate a process to consider changes in rebate program terms and conditions at this time. However, to continue to maximize the benefits of continued limited funding and high demand, Staff anticipates a discussion regarding program revisions may be appropriate in early 2019.

SERVICE LIST - EMAIL ADDRESSES- DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
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